

TALBOT COUNTY BOARD OF EDUCATION

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FD2000 Project Coordinator
Food Distribution Division – FNS
3101 Park Center Drive
Ford Avenue Building – Room 601
Alexandria, VA 22302

Dear Sir:

The Talbot County School Food Authority is a very small system, located in a low- income rural area, which relies heavily on the commodities received from the USDA. Without these allocations, it would be impossible for a system such as ours to operate on a financially sound basis. In reviewing the USDA's Business Process Re-engineering plan, many of the changes will have a direct impact on our program. Allocations for the coming year have already been reduced from the previous year; therefore it would be detrimental for our program to incur additional expenses now or in the future.

The following are some points we would like for you to consider when finalizing the plans.

2. Test best-value contracting

Best-value contracting with vendors is a good idea. In accepting bids, the lowest is not always the best. A vendor that is chosen by more criteria than just the lowest bid will provide better services to the SFAs which will ultimately improve the working relationship between the two agencies. It is important to stress the need for product liability and food safety in these criteria.

3. Update product specifications

The opening concept of updating product specifications is sound. Bringing USDA commodity packaging in line with commercial product specifications will make it more cost effective on production plants and make deliveries more efficient, which will result in lower costs for everyone involved.

Allowing substitutions in products could prove disastrous. The reputation of the USDA is one of providing quality, nutritious products to our schools. It is feared that substitutions in products will affect the nutrient content of a food item. This would put an additional burden on the SFAs during the nutrient analysis audit process.

4. Allow vendors to use commercial labels

As previously stated, the USDA has a reputation of providing quality, nutritious products to our schools. Having the USDA label does not signify a lower quality product. The SFAs that work with these products on a daily basis know that they are of high quality. Our consumers can not tell when a commercial product is used vs. a USDA product.

The use of commercial labels on USDA products will present an inventory nightmare for the food service managers. Separate sections in coolers, freezers and pantries will have to be made and labeled in order to keep the USDA items separate from the commercially purchased foods. The lack of storage space will present a huge problem. The narrative states "it may be difficult for schools to distinguish between a commodity and a commercially purchased item". This indicates that future problems are perceived if this is implemented.

Many vendors are the distributor for USDA products as well as the commercial distributor for a school system. Who will be responsible for determining which products are USDA or which are commercial when both are delivered simultaneously and how will a SFA know if they have received their total allotment?

6. Expand full substitutability of commodity product

It is feared that the USDA will lose control of the commodity product if 100% substitutability is allowed. The USDA is known for the benefits and help it provides the United States farmers. By allowing processors full substitutability, cheaper and sometimes inferior products from other countries would be used in place of US products. The image of the USDA has always been to buy domestic.

Schools are very fortunate to have USDA commodities for their use because of the low volume of recalls, alerts and holds. Rarely will a USDA product be recalled for a safety issue. Substitutions will escalate these recalls and endanger the health of our children.

7. Work with states to test the seamless commodity distribution concept

This concept does have questions. Will the USDA have to contract with hundreds of additional distributors than at the present time? Will these distributors have a designated staff member to handle the USDA's allocations and paperwork? If commercial labeling is allowed, how will they separate the products between commercial and USDA? Currently, the USDA distributor for our SFA is also one of our commercial food distributors. The organization is divided with two separate persons handling each branch of food distribution.

12. **Provide computer connectivity to the school district level**
13. **Provide a single USDA point of contact**

Connecting all states, SFAs, vendors, etc. to a nationwide computer system will be a major undertaking. One question is, "How will the USDA provide the necessary support to the school systems? Having a contact on the state level provides a better flow of information. It appears that the USDA will need additional funding to provide for the extra personnel needed to make these two plans work.

SFAs are working to become computer equipped. Many of the smaller school systems do not have the available funds for high tech systems. Information to these small systems could be delayed if they do not have Internet capabilities.

Thank you for taking the time to listen to the concerns of the SFAs. It is hoped that the comments from all interested parties will be tabulated and published by category nationwide. This will give everyone involved insight to the reactions from around the United States and a vision of the future.

Sincerely,



Susan C. Schlader
Food Service Director